

CITY OF CALEXICO

Glossary of Budget Terminology

City's Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader in understanding this terminology, a glossary of budgetary terminology has been included in the document.

AB 8 – Bill passed in 1979 to establish long-term fiscal stability for local governments in the wake of Proposition 13. AB 8 increased the property tax base for counties, cities and special districts by shifting property tax revenues from school districts to local agencies and backfilling the school district loss with state general fund revenues.

Ad Valorem Taxes – Commonly referred to as property taxes, are levied on both real and personal property according to the property's valuation and the tax rate.

Advance Refunding – When restructuring or retiring outstanding bonds, the refunding is an "advance refunding" if the outstanding bonds will not be paid of until later than 90 days after sufficient funds have been deposited with a trustee. Generally, federal law limits advance refunding to one occurrence.

Adopted Budget – Revenues and appropriations approved by the City Council in June for the next fiscal year.

Allocated Costs – An expense charged by one department/division to another for services performed for expenditures of a general nature, which are charged to one main account and allocated to other departments/divisions by a specified formula.

Annualize – Taking changes that occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

Appropriation – An authorization made by the City Council, which permits the City to incur obligations and to make expenditures of resources.

Arbitrage – A technique used to take advantage of price differences in separate markets. This is accomplished either by selling debt instruments at a low interest rate and investing the proceeds at a higher rate or by purchasing securities, negotiable instruments or currencies in one market for immediate sale in another market at a better price.

Assessed Valuation – The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.

Assessment District – Not a separate governmental entity, but rather a defined area of land which will be benefited by the acquisition, construction or maintenance of a public improvement.

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Assessment Ratio – The ratio at which the tax rate is applied to the tax base.

Asset – Resources owned and held by a government, which have monetary value.

Authorized Positions – Employee positions, which are authorized in the adopted budget to be filled during the year.

Available (Undesignated) Fund Balance – This refers to the funds remaining from the prior year, which are available for appropriation and expenditures in the current year.

Benefit Assessment – Charges levied on parcels to pay for public improvements or services provided within a pre-determined district or area according to the benefit the parcel receives from the improvement or services.

Benefit Assessment Act of 1982 – The 1982 Act lets cities, counties and special districts finance a variety of improvements. The Act requires majority voter approval if the proposed assessment area has 12 or more registered voters. If less than 12, the owners of at least 60% of the land in the assessment area must give written consent to the assessment.

Benefit Assessment Bonds – Bonds levied by cities, counties and special districts to acquire or construct public improvements, which convey a special benefit to a defined group of properties.

Block Grant – Federal grant allocated according to pre-determined formulas and for use within a pre-approved broad functional area such as the CDBG (Community Development Block Grant).

Bond – A long term I.O.U. or promise to pay. It is a promise to repay a specified amount of money (the face amount of the bond) on a particular date (the maturity date). Bonds are primarily used to finance capital projects.

Bond Anticipation Notes (BANs) – BANs are short-term borrowings by a public entity appropriate to obtain financing for a project for which bonds are authorized but not yet issued. BANs permit the issuance of debt in increments as work on a project progresses and before some or all of the bond proceeds are available.

Bond Resolution – A legal order or contract by a governmental unit to authorize a bond issue. A bond resolution carefully details the rights of the bondholders and the obligations of the issuer.

Budget – A financial plan for a specific period of time (Fiscal Year) that matches all planned revenues and expenditures with various municipal services.

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Budget Amendment – A legal procedure utilized by City Departments to revise a budget appropriation. Council approval is required for an increase in appropriation to be funded from either fund balance or new revenue sources.

Budget Calendar – The schedule of key dates or milestones, which the City follows in the preparation, adoption and administration of the budget.

Budget Unit – An account with an adopted budget used to record the revenue and expense of an activity, which is associated with an organizational unit and function of the City.

Business License Tax – A type of excise tax imposed on businesses for the privilege of conducting business within the city. The tax is most commonly based on gross receipts or levied at a flat rate.

Capital Assets – Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.

Capital Improvements – Expenditures related to the acquisition, expansion or rehabilitation of an element of the government's physical plant; sometimes referred to as infrastructure.

Capital Improvement Program – A plan for capital expenditures to provide for the acquisition, expansion or rehabilitation of an element of the City's physical plant to be incurred over a fixed period of several future years.

Capital Outlay – Expenditures relating to the purchase of equipment, land and other fixed assets.

Capital Project – Major construction, acquisition, or renovation activities which add value to a government physical assets or significantly increase their useful life, also called capital improvements.

Capital Reserve – An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.

Categorical Grant – Grant typically allocated either to qualifying applicants according to a formula or to applicants competing for project grants through an application process. Categorical grants are the most common form of federal aid.

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Certificates of Participation (C.O.P) – Debt instrument, commonly called C.O.P., that provides long-term financing through a lease (with an option to purchase) or through an installment agreement.

Community Rehabilitation District Law of 1985 – Allows cities and counties to fund the renovation and repair (but not maintenance) of an existing structure.

Concessions – Revenues received from concessionaires for privilege of operating a concession on city property.

Consumer Price Index (CPI) – A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

Contingency – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contractual Services – Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements and professional consulting services.

Cost Recovery – The establishment of user fees, which are equal to the full cost of providing services.

Debt Financing – Issuance of bonds and other debt instruments to finance municipal improvements and services.

Debt Instrument – Written pledge to repay debt such as bills, notes and bonds.

Debt Service – The cost of paying principal and interest on borrowed money according to a predetermined paying schedule.

Dedicated Tax – A tax levied to support a specific government program or purpose.

Dedications – The donation (“dedication”) of certain lands (or money) to specific Public uses as a requirement for the approval of a development project. The dedications are typically justified as an offset to the future impact the development will have on existing infrastructure, also called “exactions.”

Deficit – The excess of an entity’s liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

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Department – A major administrative segment of the City which indicates overall management responsibility for an operation or a group of related operations within a functional area.

Depreciation – Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.

Development-Related Fees – Those fees and charges generated by building, development and growth in a community. Included are building and street permits, development review fees, and zoning, platting and subdivision fees.

Division – A unit or organization that reports to a department.

Documentary Transfer Tax – Also called Real Property Transfer Tax, this tax is imposed on the transfer of ownership in real estate at a rate of \$0.55 per \$500.00 of property value.

Earmarked Funds – Funds that have been tagged or “earmarked” for a specific purpose.

Encumbrance – An anticipated expenditure committed for the payment of goods and services not yet received or paid for.

Employee Benefits – Contribution made by a government to meet commitments or obligations for employee fringe benefits. Included are the government’s share of costs for Social Security and the various pensions, medical and life insurance plans.

Encumbrance – Obligations in the form of purchase orders, contracts or salary commitments that are chargeable to an appropriation and for which a part of the appropriation is reserved. They cease to be encumbrances when the obligations are paid or otherwise terminated.

Enterprise Fund – A fund established to account for activities that are financed and operated in a manner similar to private business enterprises, where costs of providing services to the public are recovered through user fees.

Excise Tax – Tax placed on a person for a voluntary act, making the tax avoidable. Includes sales and use tax, business license tax, transient occupancy tax, utility user’s tax, etc. Phrase “excise tax” is most commonly used to refer to a parcel tax.

Exemption – The exclusion from the tax base on certain types of transactions or objects. For example, federally-owned land is exempted from property tax.

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Expenditures – Utilization of fund resources. Expenditures include operating expenses, debt service and capital outlays.

Expenditure Category – A basis for distinguishing types of expenditures. The major expenditure categories used by the City of Calexico are: salaries and benefits, services, supplies, capital outlay, debt service/other (allocated costs).

Expense – Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest, or other charges.

Fee – A charge to the consumer for the cost of providing a particular service. City fee levies may not exceed the estimated reasonable cost of providing the particular service or facility for which the fee is charged, plus overhead.

Fines, Forfeitures and Penalties – Revenues received and/or bail monies forfeited upon conviction of a misdemeanor or municipal infraction.

Financial Strategies – Method or means to guide the City in making financial decisions and to insure a secure financial future. Financial strategies are fundamental policy guidelines regarding specific financial issues, which are accompanied by an implementation plan.

Fiscal Year – A twelve-month time period signifying the beginning and ending period for recording financial transactions. The City of Calexico has specified July 1 through June 30 as its fiscal year.

Fixed Assets – Assets or long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.

Franchise Act of 1937 – Like the Broughton Act, restricts franchise collections to 2% of gross annual receipts, but includes a minimum fee of ½% of gross annual receipts for electric franchises or 1% of gross annual receipts for gas or water franchises operating within the city limits.

Franchises – Fee paid to a municipality from a franchisee for “rental” or “toll” for the use of city streets and rights-of-way.

Full Faith and Credit – Pledge by issuer of general obligation bonds to bondholders that issuer guarantees “all available funds” be used to pay bondholders should the project go into default.

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Full-time Equivalent Positions (FTE) – A part-time position converted to the decimal equivalent of a full-time position based on 2080 hours per year. A half time position would be entered as .5 and would represent 1040 hours. If you need a position for 900 hours during the year, then you would divide 900 by 2080 and get the answer of .43 as the FTE value.

Function – A classification based upon group-related activities aimed at accomplishing a major service or regulatory responsibility.

Functional Revenue – Revenues that can be associated with and allocated to one or more expenditure functions and which meet one of the following criteria: (1) the revenue is generated from direct services, such as revenues from fees or charges; (2) the revenue is associated with a specific service by external requirements, such as grant conditions, bond sale agreements, or statutory or charter requirements.

Fund – A fiscal and accounting entity for which the recording of financial transactions is made for the purpose of carrying on specific activities in accordance with the requirements placed upon the use of financial resources.

Fund Balance – The net effect of assets less liabilities at any given point in time.

Gasoline Tax - \$0.18 per gallon tax on fuel used to propel a motor vehicle or aircraft. Use of tax is limited to research, planning, construction, improvement, maintenance, and operation of public streets and highways or public mass transit guideways, also called Highway Users Tax and Motor Vehicle Fuel License Tax.

General Fund – A fund used to account for the major operating revenues and expenditures of the City, except for those financial resources that are required to be accounted for in another fund category. General Fund revenues are derived primarily from property and other taxes.

General Obligation (G.O.) Bond – This type of bond is backed by full faith, credit and taxing power of the government.

General Revenue – Those revenues that cannot be associated with a specific expenditure, such as property taxes (other than voter-approved indebtedness), sales tax, and business license tax.

General Tax – Tax used for general city purposes and which is deposited into the general fund.

Goal – Broad mission statements which define the purpose of a department.

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Grant Anticipation Notes (GAN's) – GANs are short-term borrowings by a public entity to eliminate cash flow deficits in anticipation of the receipt of a federal or state grant or loan. By issuing GANs, the public entity is better prepared to pay all project costs, particularly up-front processing and managerial costs.

Grants – Contributions of cash or other assets from another governmental agency to be used or expended for a specified purpose, activity or facility.

Homeowner's Property Tax Relief – Revenue from the state to offset city loss or property tax for state-imposed \$7,000 per dwelling homeowner exemption.

Improvement Bond Act of 1915 – Act which lets cities, counties, and "public" districts issue assessment bonds and bond anticipation notes. The 1915 Act does not authorize assessments.

Infrastructure – The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).

Internal Service Fund – A fund to account for the services provided by one department to other departments on a cost-reimbursement basis.

Investment Earnings – Revenue earned from the investment of idle public funds.

Joint Powers Authority – The Joint Exercise of Powers Act authorizes local public agencies to exercise common powers and to form joint powers authorities ("JPAs") for purpose of jointly receiving or providing specific services.

Landscaping and Lighting Act of 1972 – The 1972 Act lets cities, counties and special districts levy assessments for land purchase and the construction, operation, and maintenance of parks, landscaping, lighting, traffic signals and graffiti abatement.

Lease Revenue Bonds – Bonds similar to certificates of participation and used for the same types of projects with the following main exceptions: (1) lessor must be either a governmental entity with the power to issue revenue bonds or a nonprofit corporation that issues bonds on behalf of a political subdivision; and (2) the bonds constitute a direct debt of the lessor.

Levy – (Verb) To impose taxes, special assessments or service charges for the support of governmental activities; (noun) the total amount of taxes, and/or special assessments and/or service charges imposed by a governmental agency.

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Line-item Budget – A budget prepared along departmental lines that focuses on what is to be bought.

Licenses and Permits – Charge designed to reimburse city for costs of regulating activities being licensed, such as licensing of animals, bicycles, etc.

Lien – A claim on assets, especially property, for the payment of taxes or utility service charges.

Limited Obligation Bonds – Similar to general obligation bonds except that security for the issuance is limited exactly to the revenues pledged in the bond statement and not to the full faith and credit of the city.

Liquidity – The ability to convert a security into cash promptly with minimum risk of principal.

Market-Based Pricing – Recent trend in pricing public services which uses the marketplace to regulate individual consumer behaviors consistent with overall societal goals by including the true costs of the service on society.

Marks-Roos Bonds – Bonds authorized by the Marks-Roos Local Bond Pooling Act of 1985 which provide local agencies with extremely flexible financing powers through participation in joint powers authorities.

Materials and Supplies – Expendable materials and operating supplies necessary to conduct departmental operations.

Mello-Roos Bonds – Bonds allowing cities, counties, school districts and special districts to finance certain public capital facilities and services, especially in developing areas and areas undergoing rehabilitation. Property owners in the Mello-Roos district pay an annual special tax which is included on the property tax bill.

Mello-Roos Community Facilities Tax – Special non ad valorem tax imposed to finance public capital facilities and services in connection with new development.

Mello-Roos District – A distinct entity of government for the purpose of imposing and collecting the Mello-Roos Community Facilities Tax. The governing body and the boundaries of the district may be the same as for the city.

Mill – The property tax rate, which is based upon the valuation of a property. A tax rate of one mill produces one dollar of taxes on \$1,000 of assessed property valuation.

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Motor Vehicle License Fee (VLF) – VLF is a fee for privilege of operating a vehicle on public streets. VLF is levied annually at 2% of the market value of motor vehicles and is imposed by the state “in lieu” of local property taxes. VLF is also called Motor Vehicle in-Lieu Tax.

Municipal Improvement Act of 1913 – 1913 act allowing cities, counties, and special districts to fund everything included in the 1911 Act plus power and public transit facilities; assessments can be levied before construction begins.

Nexus – Requirement of Government Code Sections 66000 et seq. that there be a reasonable connection (“nexus”) between required development impact fees and the development project in question.

Objectives – A strategic plan that supports department goals for the provision of direct service and support functions.

Off-Highway Motor Vehicle License Fee – Fee imposed for the issuance or renewal of identification for every off-highway motor vehicle.

Operating Expenses – The cost of personnel, materials and equipment required for a department to function.

Operating Revenue – Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

Ordinance – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form or law, it has the full force and effect of law within the boundaries of the municipality to which it applies.

Organization Key – A classification of revenue and expense by type of goods or services obtained, which may be a single unit responsible for several activities or programs, or a single activity or program that is responsible for more than one unit.

Parcel Tax – Special non ad valorem tax on parcels of property generally based on either a flat per-parcel rate or a variable rate depending on the size, use and/or number of units on the parcel.

Parking Tax – General tax imposed on occupant of off-street parking space for privilege of renting the space within the city.

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“Pay-As-You-Use” – Concept that debt financing enables the public entity to spread the cost of a capital project over time, as the project is being utilized.

“Pay-As-You-Go” – Concept of paying for capital projects when the initial cost is incurred, rather than over time through the use of debt financing.

Performance Indicators – Specific quantitative and qualitative measures of work performed as an objective of specific departments or programs.

Performance Measure – Data collected to determine how effective or efficient a program is in achieving its objectives.

Personnel Services – Expenditures for salaries, wages, and fringe benefits of a government’s employees.

Portfolio – The collection of securities held by an individual or institution.

Program – A group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible.

Program Performance Budget – A method of budgeting whereby the services provided to the residents are broken down in identifiable service programs or performance units. A unit can be a department, a division, or a workgroup. Each program has an identifiable service or output and objectives to effectively provide the service. The effectiveness and efficiency of providing the service by the program is measured by performance indicators.

Property Tax – An ad valorem tax imposed on real property (land and permanently attached improvements) and tangible personal property (movable property).

Proposition 4 – Also called the Gann Initiative, this initiative, now Article XIII B of the State Constitution, was drafted to be a companion measure to Proposition 13, Article XIII A of the Constitution. Article XIII B limits growth in government spending to changes in population and inflation.

Proposition 13 – Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the maximum annual increase of any ad valorem tax on real property to 1% of the full cash value of such property.

Proposition 62 – A 1986 proposition, which, among other things, implemented a majority vote requirement for general taxes. This portion of Proposition 62 was later ruled unconstitutional.

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Proposition 98 – Passed in 1990, this measure establishes a minimum level of funding for public schools and community colleges. This measure also provides that any state revenues in excess of the appropriations limit be spent on schools.

Proposition 172 – A 1993 measure which places a one-half cent sales tax for local public safety in the Constitution effective January 1, 1994. The tax is imposed by the state and distributed to cities and counties.

Proposition 218 – Enacted in 1996, imposed new limits and procedural requirements on the imposition of taxes, assessment and property-related fees.

The constitutional amendment limits the authority of local governments to impose taxes on property related assessments, fees and charges, requiring them to be approved by property owners. It constitutionalizes the requirements of Proposition 62 concerning voter approval of taxes.

Principal – “Face” or “par value” of an instrument. It does not include accrued interest.

Provision for Contingencies – An appropriation designated for emergencies or unforeseen expenditures that require City Council authorization in the form of a Budget Amendment Resolution for transfer to the budget unit requesting the appropriation and expenditure of funds.

Rating – The designation used by investors’ services to rate the quality of a security’s creditworthiness.

Real Property – Land and permanently attached improvements.

Reimbursement for State Mandated Costs – Article XIII B, Section 6 of the California Constitution which requires the state to reimburse local agencies for the cost of state-imposed programs. Process is commonly called “SB 90” after its original 1972 legislation.

Rents – Revenues received through the rental of public properties to private parties such as convention space and library facilities.

Reserve – An account used to designate a portion of the fund balance for a specific future use and is therefore, not available for general appropriation.

Resolution – A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or a statute.

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Revenue – Increases in fund resources. Revenue includes income from user fees, taxes, permits and other sources.

Revenue Bonds – Bonds issued to acquire, construct or expand public projects for which fees or admissions are charged. Bonds are repaid solely from the income generated by use of that project.

Rough Proportionality Test – Specific determination by the city for a specific development project that the dedication to be required is related both in nature and extent to the development's impact.

Royalties – Revenues received from private companies for privilege of extracting natural resources from city property. Also revenues from bets placed at horse racing tracks that are located within the city, currently set by statute at .33 of one percent.

Sales Tax – The sales tax is imposed on retailers for the privilege of selling tangible personal property in California. Tax base is the total retail price.

SB 90 – Reimbursement process for state mandated costs, named after its original 1972 legislation.

SB 1977 – 1992 bill (Government Code § 54945.6 as amended) requiring local officials to mail notice of new and increased benefit assessments and to hold public hearings prior to imposing benefit assessments.

Section – A unit or organization, which reports to a division.

Secured Property – As the property tax is guaranteed by placing a lien on the real property, secured property is that real property in which the value of the lien on the real property and personal property located thereon is sufficient to assure payment of the tax.

Secured Roll – That property tax list containing all assessed property secured by land subject to local taxation.

Securities - Investment instruments such as bonds, stocks and other instruments of indebtedness or equity.

Self-Supporting Activities – An enterprise activity where all service costs (including principal and interest debt payments) are covered solely from the earnings of the enterprise.

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Service Charges – Charges imposed to support services to individuals or to cover the cost of providing such services. The fees charged are limited to the cost of providing the service or regulation required (plus overhead).

Short-Term Financing Methods – Techniques used for many purposes, such as meeting anticipated cash flow deficits, interim financing of a project, and project implementation. Using these techniques involves issuance of short-term notes. Voter approval is not required.

Special Tax – Tax earmarked for a specific purpose or governmental program. Special taxes require a two-thirds vote of the electorate voting in an election in order to be implemented.

Street Lighting Act of 1919 – Act authorizing cities to fund the maintenance and operation of street lighting.

Subsidy – Supplemental resources provided to ensure adequate funding when anticipated expenditures exceed revenues. Financial support received from county, state or federal government. The state and county currently levy certain taxes that are “subvented” to cities, including motor vehicle license fees, state mandated costs and motor vehicle fuel tax.

Supplemental Appropriation – An additional appropriation made by the governing body after the budget year has started.

Supplemental Property Tax – In the event a property changes ownership, the county collects a supplemental property tax assessment in the current tax year by determining a supplemental value. In future tax periods, the property carries the full cash value.

Tax Allocation Bonds – Bonds issued by redevelopment agencies to revitalize blighted and economically depressed areas of the community and to promote economic growth.

Tax Base – The objects or transactions to which a tax is applied (e.g. parcels of property, retail sales, etc.). State law or local ordinances define the tax base and the objects or transactions exempted from taxation.

Tax and Revenue Anticipation Notes (TRANs) – TRANs are short-term borrowings by a public entity to meet cash flow needs in the general fund and other unrestricted funds of a public entity. TRANs are issued before expected receipt of taxes and other revenues during the same fiscal year.

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Tax Increment Financing – A tax incentive designed to attract business investment by dedicating to the project area the new property tax revenues generated by redevelopment. The increase in revenues (increment) is used to finance development-related costs in that district.

Tax Levy – The resultant product when the tax rate per one hundred dollars is multiplied by the tax base.

Tax Rate – The amount of tax applied to the tax base. The rate may be flat, incremental or a percentage of the tax base, or any other reasonable method.

Taxes – Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for the current or permanent benefit, such as special assessments.

Tideland Revenue – Revenues granted by the state for use of city tideland in production of oil, gas and other hydrocarbons.

Traffic Safety Fund – All fines and forfeitures received as a result of arrests by city officers for Vehicle Code violations must be deposited in a special city "Traffic Safety Fund" to be used for traffic control devices; maintenance of equipment and supplies for traffic law enforcement and traffic accident prevention; the maintenance, improvement or construction of public streets, bridges or culverts; and the compensation of school crossing guards who are not regular full-time members of the police department.

Transfer In/Out – Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Transfer of Appropriation – A request to move all or a portion of an appropriation within an expense category at the Department level with the approval of the City Manager.

Transient Occupancy Tax – Tax levied by cities on persons staying 30 days or less in a room(s) in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility. Also called Transient Lodging Tax.

Transportation Tax – Special tax imposed by counties for county transportation needs. Typically collected with the sales and use tax, some cities receive a portion of the transportation tax usually in ¼% tax rate increments.

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Unencumbered Balance – The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

Unsecured Property – As the property tax is guaranteed by placing a lien on the real property, unsecured property is that real property in which the value of the lien is not sufficient to assure payment of the property tax.

Use Tax – The use tax is imposed on the user of a product whenever the sales tax does not apply, such as on goods purchased out-of-state and delivered for use in California and on long-term leases. Tax base is the total retail price.

User Fees – Fees charged to a user of a particular service provided by the City.

Vehicle Parking District Law of 1943 – The 1943 Act lets cities and counties purchase land for parking structures, construct and maintain parking lots, and pay for related planning.

Voter-Approved Property Tax for Indebtedness – Includes ad valorem property taxes levied in addition to the 1 percent rate for voter approved debt, approved prior to July 1, 1978 or after July 1, 1986.

Williamson Act – State subvention to foster preservation of open-space by lowering cost of property tax, also called the Open Space Subvention.

Yield – The total amount of revenue a government expects to receive from a tax, determined by multiplying the tax rate by the tax base. Also, the annual rate of return on an investment, expressed as a percentage of the investment.